

REMARKS

Claims 1-3, 5-11, 13-19, 21-27 and 29-32 are pending in the application. Claims 26 and 27 are currently amended. The Examiner is respectfully requested to reconsider and withdraw the rejection in view of the remarks contained herein.

REJECTION UNDER 35 U.S.C. § 102

Claims 3, 11, and 27 stand rejected under 35 U.S.C. § 102(b) as being anticipated by Buswell et al. (U.S. Pat. No. 5,360,679). This rejection is respectfully traversed.

The heating step of Claim 27 is currently amended to include use of a first heat exchanger. Therefore, claims 3, 11, and 27 are respectively drawn to a compressor system, a fuel cell system, and a method that each include first and second compressors and first and second heat exchangers. The first heat exchanger heats the exhaust gas using the second pressurized air stream from the second compressor. The second heat exchanger is disposed between the first and second stage compressors and reduces the temperature of the first pressurized air stream. The second heat exchanger is also in series with the first heat exchanger and enables heat transfer between the first pressurized air stream and the exhaust stream. An exemplary embodiment is illustrated in FIG. 3.

Buswell cannot anticipate claims 3, 11, and 27 as the reference does not teach a second heat exchanger disposed between the first compressor and the second compressor where the second heat exchanger is in series with the first heat exchanger and enables heat transfer between the first pressurized air stream and the exhaust

stream. *Verdegaal Bros. v. Union Oil Co. of California*, 814 F.2d 628, 631, 2 USPQ2d 1051, 1053 (Fed. Cir. 1987) (anticipation requires each and every claim element to be expressly or inherently in the single prior art reference).

Buswell teaches a compressor intercooler 132 between the first stage 130 and second stage 134 of a two-stage turbocompressor. The increased pressure of the stream 16 exiting the first stage 130 causes its temperature to rise to approximately 251°F. The pressurized air stream 16 passes through a compressor intercooler 132, and exits as air stream 17 having a temperature of approximately 140°F for more efficient compression. The cooled pressurized air stream 17 is then delivered to the second stage 134 of the two-stage compressor, where it exits as air stream 18. Buswell col. 6, line 50 to col. 7, line 2. Thus, while the Buswell intercooler 132 may reduce the temperature of the first pressurized air stream from the first stage 130, it does not transfer heat between the first pressurized air stream and the exhaust stream. Accordingly, Buswell cannot anticipate claims 3, 11, and 27.

Applicants respectfully request reconsideration of the claims and withdrawal of the rejection.

ALLOWABLE SUBJECT MATTER

Claims 1, 2, 5-10, 13-19, 21-26, and 29-32 are allowed for reasons of record. Applicants thank the Examiner for the careful consideration of these claims.

Allowed dependent claim 26 is currently amended to include use of a first heat exchanger in the heating step. Support for the amendment is found in paragraph [0008] and FIGS. 1-3. Applicants respectfully submit that the present amendment does not affect

the reasons for allowance of claim 25 as described by the Examiner on pages 2 and 3 of the Office Action from April 6, 2007.

CONCLUSION

It is believed that all of the stated grounds of rejection have been properly traversed, accommodated, or rendered moot. Applicant therefore respectfully requests that the Examiner reconsider and withdraw all presently outstanding rejections. It is believed that a full and complete response has been made to the outstanding Office Action and the present application is in condition for allowance. Thus, prompt and favorable consideration of this amendment is respectfully requested. If the Examiner believes that personal communication will expedite prosecution of this application, the Examiner is invited to telephone the undersigned at (248) 641-1600.

Respectfully submitted,

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